6/13/83
C2350-1A

FOCUS: UTILITIES Starts on Page 4

COAL INDUSTRY NEWS

Coal's National Newspaper

BULK RATE
U.S. POSTAGE
PAID
Permit No. 332
Des Plaines, IL 60018

JUNE 6, 1983 | 1301 Pennsylvania Ave., N.W., Washington, D.C. 20004 | Volume 7, Number 10 | $1 a Copy; $24 a Year

NEWS ROUNDUP

A postponement of federal coal leasing was rejected by the Senate Appropriations Committee in its supplemental spending bill for fiscal 1983. But committee member **Dale Bumpers, D-Ark., is looking for a way to install it** either on the Senate floor or in a conference with the House. Senate sources say that Bumpers' strategy depends on the probable outcome on the Senate floor. If a leasing moratorium appears likely to lose big there, he may forego offering it and instead ask one of the Senate conferees to argue for the House's ban in conference. One source told *Coal Industry News* that Senate Appropriations Committee Chairman Mark Hatfield, R-Ore., may favor a postponement.

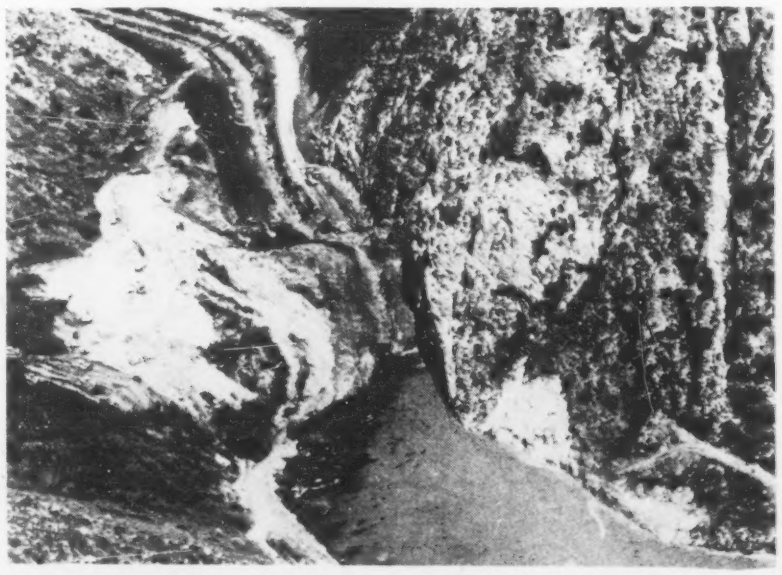
* * *

The Supreme Court has agreed to hear a challenge to the Environmental Protection Agency's air pollution policies. The justices will hear an appeal from the government and the oil and steel industries of a ruling invalidating the EPA's definition of a pollution source as an entire plant, rather than specific parts of a plant. The District of Columbia Circuit Court of Appeals also denied an attempt to extend the use of the bubble concept to areas that have yet to meet minimum national air quality standards. The extension was contained in the same rules modifying the definition of air pollution source. Industry is also contesting that decision.

* * *

America's independent oil and gas

(Continued on page 2)



Mudslide Blocks Utah's Major Coal Route

MUDSLIDE IN UTAH'S THISTLE CANYON buried railroad tracks (upper left) of Denver and Rio Grande Western line between Price and Spanish Fork, Utah Railway Co., which shares ownership of the tracks, has suspended operations although Rio Grande is continuing limited activity. A tunnel bypassing the slide and lake backed up behind it will probably be completed by July 1. In the meantime, Utah mine operators shipping west have either closed operations or are transporting coal over a 1,000-mile detour. For more on the slide and its impacts, see page 3. (Photograph used by permission of The Deseret News, Salt Lake City.)

Claimant Must Prove Black Lung Benefit Need

WASHINGTON — The burden for proving entitlement to black lung benefits has been thrust onto the claimant in new Labor Departmet regulations issued last week.

The new regulations, which are being issued to carry out 1981 amendments to the Black Lung Benefits Act and the Black Lung Revenue Act, took effect May 31.

They tighten elgibility standards by no longer presuming that:

- A coal miner with 10 or more years in the coal mines who died of a respirable disease did so at the hands of pneumoconiosis.
- A miner with 15 years of employment and is totally disabled with a pulmonary or respirable disease suffers the condition because of black lung.

(Continued on page 2)

Slurry Proponents Eye Final Hurdle in House

WASHINGTON — Coal pipeline supporters believe they won a decisive battle against the railroads two weeks ago and are looking forward to clearing the last hurdle to a House floor vote in one day of markup this week.

The supporters expect House action about June 16 and a Senate showdown late in the month despite the continued strong opposition from Sen. John Danforth, R-Mo. Danforth represents an agriculture industry worried that the railroads will try to compensate for any decline in coal traffic by raising rates on grain.

The possibly decisive battle on coal pipeline eminent domain occurred in the House Public Works Subcommittee on Surface Transportation, where three amendments that could have prevented any pipeline construction were defeated.

Losing on a 15-4 vote was an amendment of Rep. Robert W. Edgar, D-Pa., that would have required a state granting water to a

(Continued on page 2)

INSIDE

UTILITY CONVERSIONS from oil to coal are slowing down as many take a second look at the midst of soft oil prices. Gene Smith takes a look at which are proceeding and which are being abandoned, and why, as part of this issue's **Focus on page 4.**

TAX RELIEF PROPOSALS for the coal and minerals industries are opposed by the Treasury Department, even though one has already been ratified by two federal appeals courts, reports Steve Marcy **on page 9.**

Coal Industry News Will Be Merging with The Oil Daily

Dear Reader:

This edition of *Coal Industry News*, dated June 6, 1983, will be the final issue in the newspaper's present form. It is being merged with *The Oil Daily*, a sister trade newspaper which for 30 years has covered all aspects of energy from oil to coal to natural gas to synthetic fuels in all parts of the nation and the world.

We are interrupting our regular publishing cycle indefinitely — but we hope not permanently.

Whitney Communications Corp. began publishing and revamping the newspaper in February 1981, having acquired it from a group of investors who had started it in 1977.

At that time, we believed the coal industry needed a weekly newspaper to report events of significance to the industry on a timely basis and in depth. Our plan was to improve and broaden our news coverage by utilizing the energy reporting resources and editorial expertise established over three decades by *The Oil Daily*. We hoped for enough advertising support to enable us to step up our frequency from twice monthly to weekly.

A weekly newspaper, we believed, could fill the news and advertising gap between each monthly publication of the two major coal magazines. Leaders of the industry encouraged us. So did our own performance.

We changed our format to a modern look and increased our controlled circulation from 10,000 to 13,000. We "qualified" more than 70 percent of that circulation by contacting potential subscribers and asking them to indicate to us by mail that they wished to receive the newspaper. Our readers cut across the industry: 48 percent are from coal mining and processing, 15 percent are buyers of coal, 3 percent are coal exporters, 2 percent are coal transporters, 6 percent are consultants, 2 percent are government officials, and 18 percent are coal equipment manufacturers and distributors.

We made a substantial investment to provide a national newspaper for the coal industry. Unfortunately, we have not been able to attract enough advertisers to date to make a separate publication practical — at least not now.

We believe the coal industry does need a national newspaper with solid journalistic coverage. Our timing was poor. The industry may be on the brink of great growth, but it has not occurred in the past two years. It does not seem likely in the immediate future. For example, production of coal fell by 15 percent in the first three months of this year compared to a year ago as utilities used their large inventories and electrical use declined. Lower oil prices have caused utilities here and in Europe to cancel or postpone converting oil-fired plants to coal.

In merging with our sister publication, *The Oil Daily*, we will keep the name *Coal Industry News* alive. Editor Gene Smith, with years of industry reporting experience and many friends in the industry, will be joining *The Oil Daily*, writing a weekly column from New York. Correspondents who Smith hired will be asked to write for our special coal sections or supplements. Steve Marcy, Washington Bureau Chief for *Coal Idustry News*, will join *The Oil Daily's* Washington staff and write a weekly report on the coal industry that will be called *Coal Industry News*.

Coal Industry News will continue to be distributed to major industry meetings such as the American Mining Congress, the National Coal Association and the 1983 Coal Technology Conference, either as a separate publication or as a special supplement to *The Oil Daily*.

We are making a major effort to gain circulation for *The Oil Daily* among subscribers to *Coal Industry News* on the principle that news of all energy is important to the industry. Advertisers will continue to benefit through their placements in the special coal sections and reports of *The Oil Daily*.

In summary, there is not enough current advertising support for a separate national newspaper for coal, but we intend to keep *Coal Industry News* alive as part of *The Oil Daily*. We hope to be able to reconstitute it as a separate publication for special events — and perhaps bring it back as a weekly tabloid newspaper at a future date.

DeVan L. Shumway
Publisher
Coal Industry News
The Oil Daily

BEST AVAILABLE COPY

FACTS & FIGURES

Domestic

	WEEKLY 5/14/83	5/7/83	5/15/82
Production			
Bituminous, recent week	14,671	14,422	17,100
Bituminous, year to date	**275,499**		**326,185**
Anthracite, recent week	80	78	85
Anthracite, year to date	**1,516**		**1,348**
Railroad carloadings			
Bituminous, recent week	102,170	100,091	118,818
Bituminous, year to date	**1,852,582**		**2,205,532**
Anthracite, recent week	181	513	417
Anthracite, year to date	**2,678**		**3,801**

Production data in thousands of short tons.
Source: U.S. Department of Energy, Energy Information Administration—Weekly Coal Report.

	WEEKLY 5/15/83	5/7/83	5/15/82
Production by states, bituminous and lignite			
Eastern			
Alabama	445	437	530
Georgia	3	3	—
Illinois	1,181	1,161	1,175
Indiana	554	545	615
Kentucky:			
Eastern	2,067	2,032	2,109
Western	667	656	883
Total, Ky.	**2,734**	**2,688**	**2,992**
Maryland	65	64	86
Ohio	579	569	823
Pennsylvania	1,254	1,233	1,685
Tennessee	134	132	201
Virginia	653	642	883
West Virginia	2,310	2,272	2,570
Total, Eastern	**9,912**	**9,746**	**11,560**
Western			
Alaska	12	11	16
Arizona	245	241	221
Arkansas	3	3	4
Colorado	324	319	402
Iowa	8	7	12
Kansas	13	12	16
Missouri	91	89	110
Montana	447	439	683
New Mexico	332	326	402
North Dakota	316	311	366
Oklahoma	81	79	112
Texas	568	559	663
Utah	305	300	301
Washington	70	69	104
Wyoming	1,944	1,911	2,128
Total Western	**4,759**	**4,676**	**5,540**
Total, United States	**14,671**	**14,422**	**17,100**

In short tons (000).
Source: U.S. Department of Energy, Energy Information administration—Weekly Coal Reports.

	MONTHLY 3/83	2/83	3/82
Coal Labor			
All employees			
Coal Mining	197.6	199.4	248.3
Bituminous & Lignite	195.0	196.7	244.9
Production employees			
Coal mining	158.2	159.2	206.2
Bituminous & Lignite	155.9	156.9	203.2
Hours, weekly average			
Coal mining	39.3	38.8	41.3
Bituminous & Lignite	39.4	38.9	41.3
Earnings, hourly average			
Coal mining	13.31	13.37	12.33
Bituminous & Lignite	13.35	13.41	12.37
Earnings, weekly average			
Coal mining	523.08	518.76	509.23
Bituminous & Lignite	525.99	521.65	510.88

Source: U.S. Department of Labor, Bureau of Labor Statistics—Employment and Earnings.

	MONTHLY 2/83	1/83	2/82
Bituminous and Lignite			
Consumption			
Electric power utilities	45,700	53,278	48,795
Coal user stocks of coal			
Electric power utilities	167,845	167,515	148,118
Anthracite			
Consumption			
Electric power utilities	73	73	83
Coal user stocks of coal			
Electric power utilities	6,104	6,107	5,401

Note: Data give in thousands of short tons.
Source: U.S. Department of Energy's Energy Information Administration—Weekly Coal Report.

	2/83	1/83	2/82
Coal User Production			
Major district users:			
Electric utilities			
(Mil Kwh.)			
Monthly	92,692	108,164	96,906

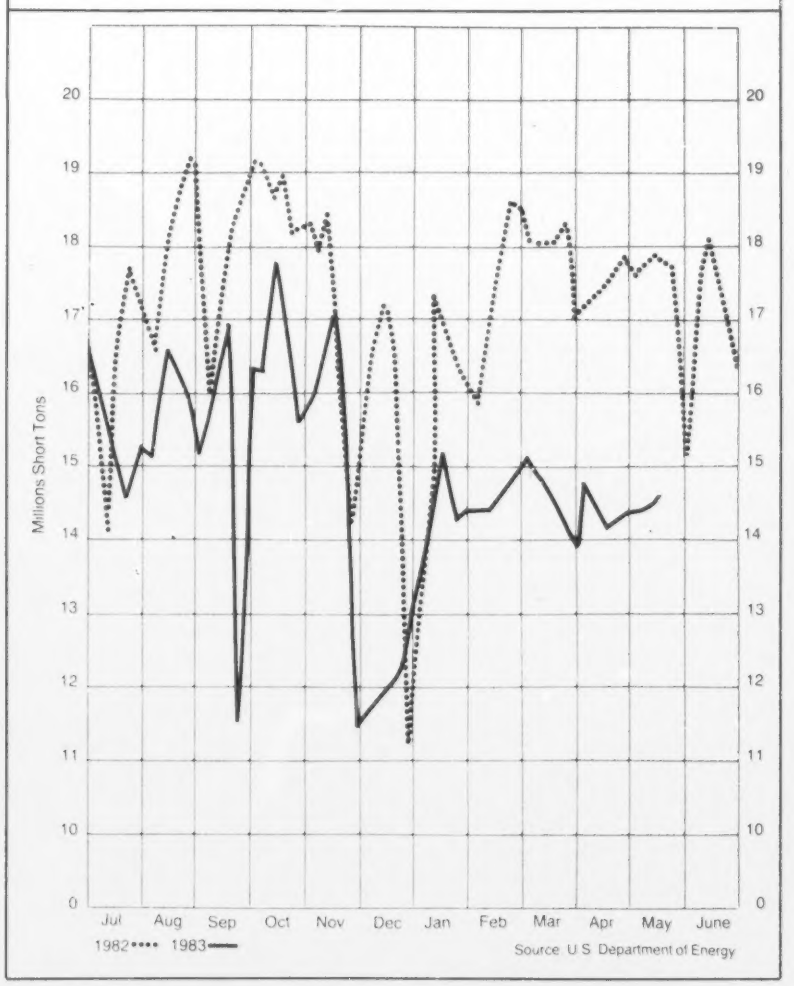
	MONTHLY 3/83	2/83	11/82
Price Indexes			
Bituminous Coal and Lignite	104.9	104.2	105.0
Primary Products	103.7	103.2	103.3
Prepared	104.4	103.5	104.4
Steam electric utilities	105.7	104.3	105.4
North Appalachia	104.4	99.5	102.9
Spot	N.A.	N.A.	N.A.
Contract	102.1	N.A.	102.6
South Appalachia	98.2	N.A.	N.A.
Contract	98.0	98.0	99.7
Midwest	109.4	109.3	109.2
Contract	110.7	110.6	110.5
West	109.5	109.1	109.0
Contract	109.5	109.1	109.0
Metallurgical coke producer	101.3	101.2	101.5
High volatile	100.7	100.4	100.0
North Appalachia	97.2	97.2	97.2
Contract	N.A.	N.A.	N.A.
South Appalachia			
Contract	102.7	102.3	101.5
West	99.0	99.0	100.7
Low volatile	99.6	100.3	102.7
North Appalachia			
Contract	97.8	97.8	100.9
South Appalachia			
Contract	N.A.	102.4	104.2
All other industrial	98.5	101.1	99.7
North Appalachia	92.6	N.A.	N.A.
Contract	91.8	92.4	91.2
Midwest			
Contract	107.0	107.0	107.2
Unprepared (raw)	101.1	102.5	99.9
For preparation at other establishments	N.A.	N.A.	N.A.
For use without preparation	N.A.	N.A.	N.A.
Anthracite	152.7	153.2	154.0
Primary products	151.5	152.0	152.6
Prepared anthracite shipped	153.3	153.9	154.7
Stove	148.6	151.2	151.7
Chestnut	148.4	148.4	151.5
Pea	159.0	160.3	160.3
Buckwheat no. 1	149.0	149.0	149.0
Buckwheat no. 2	160.8	160.8	160.8
Buckwheat no. 4	143.9	143.9	143.9
Buckwheat no. 5	110.2	110.2	112.0

N.A.—Not Available

Source: Bureau of Labor Statistics, Department of Labor.
Note: The Bureau of Labor Statistics has recalibrated its producer price index figures for bituminous and lignite, as well as reorganizing its pricing categories. The new index is based on a compilation of average prices for December 1981, and that month appears as 100. The former index used June 1976 prices as its base.

Latest U.S. Production Figures

Estimated Bituminous Coal and Lignite Production



PRODUCTION of bituminous coal and lignite for the week ended May 14 reached 14.671 million short tons, a 249,000-ton and 1.7-percent increase from the previous week. Production for the corresponding period in 1982 was 17.1 million short tons. Output since Jan. 1 totaled 275.499 million short tons, a 15.5 percent drop from the same year-to-date period in 1982.

Exports & Imports

	Quantity in short tons 3/83	2/83	3/82	Dollar Value 3/83	2/83	3/82	Avg. Value per short ton 3/83	2/83	3/82
Bituminous coal, low volatile blends to make coke No. 5213110									
Belgium	146,094	102,086	814,007	9,605,027	6,372,387	41,252,017	65.75	62.42	50.68
Brazil	161,780	260,658	514,418	10,564,837	10,641,939	21,982,830	65.30	40.82	42.73
Canada	42,470	118	505	2,388,764	5,874	23,074	56.25	49.77	45.69
France	286,306	143,400	970,336	15,393,465	5,392,126	48,957,945	53.77	37.60	50.45
Germany, F.R. (West)	44,860	84,860	99,512	2,309,912	4,065,366	5,170,081	51.49	47.90	51.95
Italy	572,042	676,515	673,455	30,581,772	28,779,335	35,730,867	53.46	42.54	53.06
Japan	1,825,087	1,026,776	3,824,548	113,912,012	59,598,260	220,168,421	62.41	58.04	57.57
Netherlands	233,081	182,030	449,993	12,809,887	9,584,337	23,084,802	54.96	52.65	51.30
Spain	262,187	183,130	504,925	15,393,465	7,872,189	26,394,751			
Sweden	—	78,036	—	—	3,704,349	—	—	47.46	—
United Kingdom	114,765	—	207,215	6,758,965	—	11,685,406	58.89	—	56.39
Yugoslavia	35,364	107,563	113,581	1,967,000	5,308,416	7,007,642	55.62	49.35	61.70
Total, above	3,724,036	2,845,172	8,172,495	221,685,106	141,324,578	441,457,836	59.53	49.67	54.02
Total, other nations	526,254	702,612	766,238	28,240,957	40,666,377	40,834,653	53.66	57.87	53.29
Total, all nations	**4,250,290**	**3,547,784**	**8,938,733**	**249,926,063**	**181,990,955**	**482,292,489**	**58.80**	**51.29**	**53.96**

	Quantity in short tons 3/83	2/83	3/82	Dollar Value 3/83	2/83	3/82	Avg. Value per short ton 3/83	2/83	3/82
Bituminous coal, others No. 5213120									
Belgium	36,804	—	34,857	1,517,530	—	1,639,716	41.23	—	47.04
Canada	2,783	1,372	819	116,438	60,556	32,760	41.84	44.13	40.00
China, Taiwan	57,515	188,091	57,605	2,269,686	7,866,839	2,566,976	39.46	41.82	44.56
Denmark	212,350	80,879	224,416	10,044,618	4,330,653	11,191,655	47.30	53.54	49.87
Finland	25	—	—	966	—	—	38.64	—	—
France	198,561	213,529	293,947	9,224,855	9,321,491	13,758,629	46.46	43.65	46.81
Germany, F.R. (West)	60,022	984	129,101	3,494,109	192,984	6,987,405	58.21	196.12	54.12
Italy	483,567	199,674	302,907	21,357,373	8,326,455	14,376,113	44.17	41.70	47.46
Japan	337,037	238,043	731,554	16,781,362	11,708,971	39,267,912	49.79	49.18	53.68
Netherlands	196,332	30,903	185,894	9,579,126	1,648,755	7,741,493	48.79	53.35	41.64
Spain	235,481	163,589	274,907	9,829,909	6,408,330	12,958,430	41.74	39.17	47.14
Total, above	1,820,477	1,117,064	2,236,007	84,215,972	49,865,034	110,521,089	46.26	44.63	49.43
Total, other nations	187,048	137,774	212,947	8,587,152	5,047,051	10,682,828	45.91	36.63	50.17
Total, all nations	**2,007,525**	**1,254,838**	**2,448,954**	**92,803,124**	**54,912,085**	**121,203,917**	**46.23**	**43.76**	**49.49**
Lignite No. 5213130									
Total, all nations	**3,661**	**3,350**	**3,642**	**217,060**	**286,457**	**342,437**	**59.20**	**85.50**	**94.02**
Coal coke for use as fuel No. 5213148									
Total, all nations	**31,927**	**43,353**	**84,734**	**2,895,061**	**3,085,027**	**6,542,520**	**90.68**	**71.26**	**77.21**
Petroleum coke, except calcined No. 5213150									
Canada	42,864	12,000	12,398	1,702,382	542,032	672,621	39.72	45.16	54.25
Japan	331,199	391,435	135,817	11,541,633	15,247,119	7,111,090	34.85	38	52.36
Netherlands	228,257	65,500	105,282	8,115,145	1,526,673	35.55	23.29	54.75	
Total, above	602,320	468,935	253,497	21,359,160	17,315,151	13,548,384	35.46	36.92	53.45
Total, other nations	597,583	303,674	248,236	16,482,768	7,547,868	14,117,779	27.58	24.85	56.87
Total, all nations	**1,199,903**	**772,609**	**501,733**	**37,841,928**	**24,863,019**	**27,666,163**	**31.54**	**32.18**	**55.14**
Compositions for fuel No. 5213160									
Total, all nations	**5,935**	**4,174**	**522**	**351,379**	**252,408**	**79,008**	**59.20**	**60.47**	**151.36**
Anthracite No. 5213170									
Korea Rep. (South)	—	—	77,137	—	—	2,589,186	—	—	35.57
Total, all nations	**29,949**	**1,962**	**84,411**	**2,326,303**	**133,618**	**3,214,323**	**77.68**	**68.10**	**38.08**